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TO RUEHC/SECSTATE WASHDC 4516
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INFO RUEHNE/AMEMBASSY NEW DELHI 0077
RUEHKA/AMEMBASSY DHAKA 9508
RUEHIL/AMEMBASSY ISLAMABAD 6413
RUEHKT/AMEMBASSY KATHMANDU 4464
RUEHKP/AMCONSUL KARACHI 2036
RUEHCG/AMCONSUL CHENNAI 6966
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STATE FOR EB/IDF/ODF AND SCA/INS

MCC FOR D NASSIRY AND E BURKE

E.O 12958: N/A

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SUBJECT: MALDIVES SCORECARD DELIVERED, EMBASSY URGES CONSIDERATION OF MALDIVES

REF: STATE 159723

¶1. SUMMARY: DCM and EconOff met with Dr. Mohamed Asim, Maldives High Commissioner to Sri Lanka, to discuss the Millennium Challenge Corporation's (MCC's) scorecard, Maldives' designation as a Candidate country, and the fact that the MCC Board must still determine whether to invite Maldives to discussions on possible MCC assistance. Embassy strongly supports the selection of Maldives for receipt of MCC assistance, and urges special consideration for this moderate Islamic nation that is friendly toward the US and will likely be a model recipient of MCC aid. End Summary.

¶2. During the meeting at the High Commission, Asim became familiar with MCC's purposes and its methods of selecting countries. (Note: When an appropriate USG official is not available to visit Maldives in a sufficient amount of time, it is the Embassy's practice to communicate with the Government of Maldives via their High Commission in Colombo. End Note.) He learned that Maldives has, for the first time, been listed as a Candidate country, among 99 countries, and that this does not mean that Maldives will necessarily be invited to request MCC assistance.

¶3. In an effort to manage the Government of Maldives' (GOM's) expectations, we informed the High Commissioner that the MCC's budget for Lower Middle Income Countries is limited to 25 percent of available funds. We also advised that that MCC is expected to focus on larger countries, to demonstrate a greater impact for a larger population.

¶4. COMMENT: Maldives, a pro-US moderate Islamic nation taking steps toward increased democracy, is a country with significant potential for success under MCC. Maldives has a capable civil service that is well educated and wants to improve. It has seen significant economic development over the last several decades through promotion of resort hotels, but faces significant challenges in fulfilling its desire to diversify its economy and continue improving the economic well-being of its less fortunate citizens. Post urges MCC officials to seriously consider Maldives as an eligible country for FY07, and stands ready to provide any assistance required by MCC to make such a decision.

BLAKE